

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 46 - HB 62

February 11, 2019

SUMMARY OF BILL: Enacts the “Dynamic Accessibility Act” (Act) for the purpose of adopting a new statewide symbol which designates access points to state owned-or-operated buildings for persons with disabilities. Requires the Commissioner of the Department of General Services (DGS) to promulgate rules for such designation and to collaborate and seek input from state agencies in accomplishing this task.

Designates a symbol to be used or to be based-upon, and further requires that the word “Accessible” accompany such symbol, as appropriate, for signage. Such symbol and accompanying wording is required to be used to designate every point of access for persons with disabilities for all state buildings, structures, or real property constructed or purchased on or after July 1, 2019. For state buildings, structures, and real property existing prior to this Act, signage indicating access for persons with disabilities must conform to the requirements of this Act as the signage is replaced or repaired, or when an existing state building, structure, or real property is renovated at a cost of \$10,000 or more. Requires, on or after July 1, 2019, that any business, firm, or other person transacting business with the public from a permanent location designate parking spaces for the disabled using the symbol of access created by this Act.

Requires the Department of Revenue (DOR) to utilize the symbol of access adopted pursuant to this Act in the issuance of any registration, placard, decal, and license plate issued after July 1, 2019, for a driver or passenger with a qualifying disability.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

Net Impact – Exceeds \$342,900/FY19-20

Exceeds \$27,300/Each FY20-21 through FY23-24

Increase Local Expenditures –

Exceeds \$100,000/Each FY19-20 through FY23-24*

Assumptions:

Increase in Expenditures – Building and Parking Space Signage for facilities managed by the Department of General Services (DGS)

- An effective date of July 1, 2019.

- The DGS operates approximately 140 owned buildings and 340 leased buildings throughout the state, or 480 buildings in total.
- According to the DGS, each building will undergo at least one renovation in excess of \$10,000 in the next 5 years.
- Each building will require two signs.
- Each sign is estimated to cost \$60.
- The DGS holds a contract with a company for signage installation.
- Each building will require one hour installing two signs at an hourly rate of \$58.
- In addition, there will be approximately \$1,290 in trip costs over the next 5 years in conjunction with installation of such signs on state-leased-or-owned buildings.
- An increase in state expenditures estimated to be \$17,346 per year over the next 5 years to install signs at 480 state-leased-or-owned buildings $\{[(480 \text{ buildings} \times 2 \text{ signs} \times \$60 \text{ per sign}) + (480 \text{ buildings} \times \$58 \text{ installation}) + \$1,290 \text{ trip costs}] / 5 \text{ years}\}$.
- Based on information provided by the DGS, there are currently 154 van accessible parking spaces in 121 lots which will require the symbol of access be presented on either a sign or pole on or after July 1, 2019.
- Each parking lot will require one hour installing signs at each parking lot at an hourly rate of \$58.
- Each sign is estimated to cost \$40.
- Upon the first year after the effective date of this legislation, or FY19-20, there will be a one-time increase in state expenditures of \$13,178 to install signs at the various parking lots $[(154 \text{ parking spaces} \times \$40 \text{ per sign}) + (121 \text{ parking lots} \times \$58 \text{ installation})]$.
- The total increase in state expenditures relative to DGS-operated buildings and parking lots is estimated to be \$30,524 $(\$17,346 + \$13,178)$ in FY19-20.
- Each year, FY20-21 through FY23-24, the increase in state expenditures relative to DGS-operated buildings and parking lots is estimated to be \$17,346.

Increase in State Expenditures – Building and Parking Space Signage for all other State Facilities

- This legislation will impact state department buildings and parking spaces other than those managed by DGS, such as buildings and spaces managed by the Tennessee Board of Regents, the Tennessee Higher Education Commission, and possibly others.
- The number of buildings and van-accessible parking spaces other than those managed by the DGS, which will require new signage as a result of this legislation, is unknown but estimated to be significant. The increase in state expenditures to replace signage at these various buildings and parking spaces is reasonably estimated to exceed \$50,000.
- It is assumed that the state will incur these costs evenly across a five-year period, beginning in FY19-20 and that any additional costs incurred in outlying fiscal years would have been necessary through normal renovation in the absence of this legislation.
- The increase in state expenditures is estimated to exceed \$10,000 in each FY19-20 through FY23-24 $(\$50,000 / 5 \text{ years})$.

Increase in State Expenditures – Department of Revenue (DOR)

- The DOR will be required to create redesigned license plates for the current twelve different disability class codes, five disability placards, and one disability decal to meet the requirements of this legislation.
- Based on information provided by DOR, the one-time cost to replace all existing stock of such license plates, placards, and decals total \$316,506.
- According to the DOR, approximately 20 percent of the current inventory will need to be produced to cover the demand from registrants requesting replacements. The one-time cost to produce this additional inventory is estimated to be \$29,469.
- According to the DOR, current registrants are assumed to request replacement with the new design and would be subject to the \$2.00 replacement fee authorized pursuant to Tenn. Code Ann. § 55-6-101(a)(6). This \$2.00 fee will remain with DOR to cover relative expenses incurred by the Department. This one-time increase in state revenue to DOR is estimated to be \$43,644.
- This fee revenue collected by DOR will effectively reduce the extent of any required appropriations the DOR will require for funding this legislation.
- Upon the first year after the effective date of this legislation, or FY19-20, the net increase in state expenditures relative to DOR is estimated to be \$302,331 ($\$316,506 + \$29,469 - \$43,644$).

Total Increase in State Expenditures

- In FY19-20, there will be a total net increase in state expenditures estimated to exceed \$342,855 [$\$30,524 + \$10,000 + (\$316,506 + \$29,469 - \$43,644)$].
- In each year FY20-21 through FY23-24, there will be a total increase in state expenditures estimated to exceed \$27,346 ($\$17,346 + \$10,000$).
- It is assumed that after the first five years following passage of this legislation that all signs requiring replacement at state facilities pursuant to this legislation will have been replaced. Any signs replaced after FY23-24 are assumed to be replaced in the normal course of business and not as a direct result of this legislation.

Increase in Local Expenditures – Parking Spaces for the Disabled

- Currently, pursuant to Tenn. Code Ann. § 55-21-105(b)(1), any business, firm, or other person transacting business with the public from a permanent location is required to provide specially marked parking spaces for the exclusive use of disabled persons.
- Pursuant to sections 7 and 8 of this legislation, parking spaces owned-or-leased by local governments must present the symbol of access on either a sign or pole on or after July 1, 2019.
- This legislation is estimated to impact, but not be limited to, the following: K-12 schools, local government administration, and all businesses which contract with local governments.
- The number of local parking spaces to which this legislation will impact is unknown; however, the total costs of signage and installation statewide is reasonably estimated to exceed \$500,000 over the next five years.
- The mandatory increase in local expenditures is estimated to exceed \$100,000 in each FY19-20 through FY23-24 ($\$500,000 / 5$ years).

- It is assumed that after the first five years following passage of this legislation that all parking signs requiring replacement at local facilities pursuant to the legislation will have been replaced. Any parking signs replaced after FY23-24 are assumed to be replaced in the normal course of business and not as a direct result of this legislation.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jdb